

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 EB-08 OMB-01 COME-00 TRSE-00  
CIAE-00 DODE-00 PM-05 H-01 INR-10 L-03 NSAE-00  
NSC-05 PA-01 SP-02 SS-15 ICA-11 /082 W  
-----086672 231704Z /42

P R 231515Z AUG 78  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC PRIORITY 9189  
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L SECTION 1 OF 2 QUITO 5888

E.O. 11652: GDS  
TAGS: PINT, EC  
SUBJECT: THE MOOD IN GUAYAQUIL

1. I HAVE JUST RETURNED FROM A FIVE-DAY VISIT TO GUAYAS PROVINCE, THREE DAYS OF WHICH WERE IN GUAYAQUIL WHERE I KEPT AN INTENSE SCHEDULE OF CALLS AND VISITS. ACCOMPANIED BY CONSUL GENERAL BISHTON, I CALLED UPON THE HIGHEST PROVINCIAL AND MUNICIPAL OFFICIALS, MILITARY AND ECCLESIASTICAL AUTHORITIES, ECUADOREAN AND AMERICAN BUSINESSMEN, NEWSPAPER PUBLISHERS AND EDITORS. I HAD LUNCH WITH JAIME ROLDOS, APPARENT WINNER OF THE FIRST ROUND OF THE PRESIDENTIAL ELECTION, AND HAD A LONG MEETING WITH CANDIDATE RAUL CLEMENTE HUERTA AS WELL AS WITH CESAR DURAN BALLEEN, BROTHER AND POLITICAL MENTOR OF CANDIDATE SIXTO WHOM I HAD ALREADY MET IN QUITO. I ALSO VISITED THE CONSULATE GENERAL, ICA OFFICES AND THE BI-NATIONAL CENTER AND MET ALL U.S. AND LOCAL EMPLOYEES.

2. GUAYAQUIL WAS MY FIRST FOREIGN SERVICE POST AND I FOUND THE CITY HAS GROWN ENORMOUSLY BOTH IN POPULATION AND AREA OVER THE PAST 25 YEARS. HOWEVER, IN MANY WAYS IT RETAINS ITS CHARACTERISTIC GRUBBINESS DESPITE SOME IMPRESSIVE NEW BUILDINGS AND AFFLUENT NEW RESIDENTIAL  
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AREAS. IT ALSO RETAINS ITS ASPECT OF BUSTLING BUSINESS AND COMMERCIAL ACTIVITY AND DESERVES ITS TITLE AS THE ECONOMIC CAPITAL OF THE COUNTRY. AT AN AMERICAN BUSINESSMEN'S MEETING WITH SOME 45 IN ATTENDANCE I GOT MIXED REPORTS ABOUT ECONOMIC CONDITIONS. ALTHOUGH MANY THOUGHT THAT CONSUMER DEMAND REMAINED HIGH AND THAT BUSINESS WAS "GOOD", MANY CONSIDERED THAT THE UNCERTAIN POLITICAL

SITUATION WAS ALREADY DAMPENING BUSINESS CONFIDENCE AND INHIBITING NEW INVESTMENT. ECUADOREAN BUSINESSMEN, ESPECIALLY THE BANKERS, WERE MUCH MORE EMPHATIC IN REPORTING AN ECONOMIC SLUMP, BUT GENERALLY THEY REFLECTED ANTI-ROLDOS SENTIMENTS.

3. THE OFFICIAL CALLS ON THE AUTHORITIES WERE LARGELY PROTOCOLARY AND ROUTINE BUT THE MAYOR OUTDID HIMSELF WITH A CEREMONY THAT INCLUDED HONOR GUARDS, NATIONAL ANTHEMS, SPEECHES, MEMENTOES, AND THE PRESENCE OF THE CONSULAR CORPS. I AM TOLD THAT THIS HAS NOT BEEN DONE PREVIOUSLY FOR A VISITING AMBASSADOR. THE MOST SUBSTANTIVE AND INTERESTING CALLS WERE THOSE MADE ON POLITICAL LEADERS AND THEIR SUPPORTERS OR WELL-INFORMED OBSERVERS. ON BALANCE I FOUND THEM GENERALLY CONCERNED AND SOMEWHAT PESSIMISTIC ABOUT THE OUTCOME OF THE RETORNO PROCESS TO CONSTITUTIONAL RULE.

4. ROLDOS, IN PARTICULAR, SEES HIS JULY 16 VICTORY SLIPPING AWAY. "THEY" ARE NOT ONLY TRYING TO INTERRUPT THE PROCESS BUT ALSO ATTEMPTING TO WHWART THE WILL OF THE MAJORITY, HE ACCUSES. ROLDOS THINKS THAT THE SUPREME ELECTORAL TRIBUNAL (SET) IS FULLY CONTROLLED BY THE GOVERNMENT AND HE OBJECTS STRONGLY TO THE BIASED REMARKS BEING MADE BY ITS PRESIDENT AND VICE PRESIDENT. HE IS TERRIBLY SUSPICIOUS WHY GUAYAS PROVINCE IS NOT CONFIDENTIAL

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COUNTED NOW AND SPECULATES THEY WANT TO VERIFY THE RESULTS EVERYWHERE ELSE SO THAT THEY CAN ANNUL SUFFICIENT BUAYAS BALLOTS FOR ROLDOS TO EFFECTIVELY SQUEEZE HIM OUT. I COMMENTED TO ROLDOS THAT THE POLITICAL IDEOLOGY OF HIS RUNNING MATE, HURTADO, SEEMED TO WORRY MANY AND HE CHARGED THAT HE AND HURTADO ARE FALSELY BEING PORTRAYED AS COMMUNISTS WHO WANT TO NATIONALIZE EVERYTHING. I ALSO OBSERVED THAT MANY PEOPLE WORRIED THAT ROLDOS MIGHT BE INFLUENCED TOO MUCH BY BUCARAM. ROLDOS BARELY ACKNOWLEDGED THIS AND CHANGED THE SUBJECT, POSSIBLY BECAUSE THREE OTHER CFP LEADERS WERE PRESENT. IN ANY CASE, HE SAID NOTHING TO SUBSTANTIATE SOME RECENT RUMORS OF A FALLING OUT WITH BUCARAM. ROLDOS IS CONCERNED BUT HE HAS NOT GIVEN UP HOPE ON THE MILITARY. HE BELIEVES THAT SOME SENIOR OFFICERS DO NOT WANT TO RENEGE ON THEIR COMMITMENT TO THE PROCESS AND CONTINUE TO SUPPORT HIM. I ASKED ROLDOS ABOUT THE POSSIBILITY OF LARGE-SCALE FRAUD IN THE GUAYAS VOTE BUT HE DENIED IT, SAYING THE SET AND THE GOVERNMENT CONTROLLED THE ELECTORAL MACHINERY AND THEIR PEOPLE WERE IN CHARGE OF ALL THE POLLS. ROLDOS IS CONFIDENT HE CAN WIN AN UNRIGGED ELECTION AND HE IS NOT SAYING ANYTHING YET ABOUT

WHAT HE WOULD DO IF AN ATTEMPT IS MADE TO SNATCH AWAY  
HIS INITIAL VICTORY.

5. RAUL CLEMENTE HUERTA, THE DEFEATED CANDIDATE IN 1956  
AND LIBERAL PARTY STALWART, IS OBVIOUSLY THE POLITICAL  
PRO AMONG THE MAJOR CONTENDERS. HE WAS INCLINED TO  
DELIVER A MONOLOGUE AND HE SEEMED LESS SINCERE (E.G.,  
HE DENIED HAVING MET RECENTLY WITH SIXTO). HUERTA  
CRITICIZED THE RETORNO PROCESS AND CHARACTERIZED IT AS  
UNORTHODOX AND ALIEN TO ECUADOREAN POLITICAL TRADITION.  
HE CRITICIZED THE JANUARY REFERENDUM TO  
APPROVE STILL ANOTHER CONSTITUTION WHICH IS STILL NOT  
IN FORCE AND, IN PARTICULAR, HE DECRIED THE LONG DELAYS  
IN THE DEFINITIVE ANNOUNCEMENT OF THE VOTE RESULTS  
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SAYING IT CREATED TERRIBLE UNCERTAINTY. HUERTA SAID  
IT WAS A MISTAKE TO PROVIDE FOR RUN-OFF ELECTIONS AND  
FELT THAT A PRESIDENT COULD GOVERN WITH LESS THAN AN  
ABSOLUTE MAJORITY IN A SINGLE ELECTION. HE SAID THAT

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TO SECSTATE WASHDC PRIORITY 9192  
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L SECTION 2 OF 2 QUITO 5888

THE FINAL RESULTS OF THE NEXT ROUND WOULD NOT BE KNOWN  
UNTIL FEBRUARY AND THAT THE EIGHT-MONTH PERIOD BETWEEN  
THE JULY 16 ELECTION AND THE INAUGURATION OF A NEW  
PRESIDENT WAS UNCONSCIONABLY LONG AND TOO UNSETTLING.  
HUERTA TOOK UP THE FAMILIAR THEMES OF CONCERN OVER THE

POLITICAL-ECONOMIC IDEOLOGIES OF ROLDOS' RUNNING MATE, HURTADO, AND THE PERNICIOUS INFLUENCE BUCARAM WOULD HAVE IN A ROLDOS ADMINISTRATION. HUERTA, HOWEVER, FELT IT HAD BEEN A MISTAKE TO DISQUALIFY BUCARAM FROM RUNNING BECAUSE IT MADE HIM A MARTYR AND DELIVERED MANY PROTEST VOTES TO ROLDOS. HUERTA DEFINITELY BELIEVES HE HAS A CHANCE OF COMING IN SECOND WHEN THE SET FINISHES ITS COUNT. HE SAID A MEETING WITH SIXTO DURAN BALLEEN "COULD HAVE TAKEN PLACE" BUT HAD NOT. HE FORECLOSED THE POSSIBILITY OF A DEAL WITH CONSERVATIVES ON THE BASIS OF AGREEMENT ON MINISTERS AND AMBASSADORS BUT HINTED THAT REASONS FOR THE TRADITIONALLY BITTER RIVALRY BETWEEN LIBERALS AND CONSERVATIVES HAD MELLOWED. HUERTA DEFINITELY THINKS THERE WAS FRAUD IN GUAYAS PROVINCE AND CITES CASES OF BALLOT STUFFING IN DISTRICTS WHICH REPORTED MORE VOTES (FOR ROLDOS) THAN THERE WERE REGISTERED VOTERS. HUERTA SAID IF THE LONG DELAYS CONTINUE AND LARGE-SCALE CHEATING IS UNCOVERED, HE WOULD "RECONSIDER HIS ROLE". HE SAID HE COULD WORK CONFIDENTIAL

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WITH THE PARTY OR IN CONGRESS OR IN HIS PRIVATE LEGAL PRACTICE. THUS, WITHOUT ACTUALLY MENTIONING THE POSSIBILITY HE WOULD RESIGN, HE AT LEAST GAVE A BROAD HINT HE MIGHT DO SO.

6. CESAR DURAN BALLEEN TALKED ABOUT ROLDOS' RELATIONSHIP WITH BUCARAM AND SPECULATED THAT EVENTUALLY THERE WOULD BE A PARTING OF THE WAYS EITHER INITIATED BY ROLDOS TO DEMONSTRATE HIS INDEPENDENCE OR BY BUCARAM IN ORDER TO ENSURE HIS CONTINUING CONTROL OF THE CFP. DURAN BALLEEN CHARACTERIZED ROLDOS' MEETINGS WITH GUAYAQUIL BUSINESSMEN AS SUPERFICIAL, INDICATING THAT ROLDOS MAY BE LONG ON ORATORY BUT SHORT ON A GOOD KNOWLEDGE OF THE ISSUES. CESAR ALLEGED THAT THE CFP HAD COMMITTED FRAUD IN THE ELECTION AND WAS IN A POSITION TO DO SO IN SOME 1,000 POLLING PLACES IN CFP STRONGHOLDS WHERE THE OTHER PARTIES HAD NO OBSERVERS. CESAR ALSO SAID THAT SIXTO AND HUERTA HAD MET BUT THAT NO DEALS WERE STRUCK. RATHER, THE MEETING SERVED TO RE-ESTABLISHED A RELATIONSHIP THAT HAD BEEN SORELY TRIED DURING THE ELECTORAL CAMPAIGN.

7. MY MEETINGS WITH THE EDITORS AND PUBLISHERS SERVED NOT ONLY TO HEAR THEIR VIEWS AND ANXIETIES ABOUT THE RETORNO PROCESS, BUT ALSO OFFERED ME THE OPPORTUNITY TO REITERATE USG SUPPORT FOR THE RETURN TO CONSTITUTIONAL RULE. THE LATTER POINT FOUND ITSELF INTO SEVERAL NEWSPAPER STORIES AND INTO SOME BRIEF TELEVISION INTERVIEWS. I WAS CAREFUL TO POINT OUT THAT OUR SUPPORT

FOR THE PROCESS SHOULD NOT BE INTERPRETED AS PREFERENCE  
FOR ANY PARTICULAR CANDIDATE, AS IS BEING ALLEGED IN  
WOME QUARTERS.

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8. CONSLUSION: MORE THAN FIVE WEEKS HAVE ELAPSED  
SINCE THE INITIAL ROUND OF THE PRESIDENTIAL ELECTION WAS  
HELD AND THE OFFICIAL RESULTS ARE STILL IN DOUBT. IN

GUAYAQUIL, WHERE ROLDOS WON HIS MAJOR SUPPORT, I FOUND  
INCREASING CONCERN THAT THE RETORNO PROCESS WILL NOT  
REACH ITS GOAL OF CONSTITUTIONAL GOVERNMENT WITHOUT  
OVERCOMING NEW OBSTACLES AND FURTHER DELAYS. CONSER-  
VATIVE ECONOMIC INTERESTS NATURALLY FEAR A ROLDOS-  
HURTADO GOVERNMENT HEAVILY INFLUENCED BY BUCARAM AND  
ARE PROBABLY HELPING SPREAD ALARMIST STORIES ABOUT THE  
POPULIST CANDIDATES. WHETHER THE CONSERVATIVE COALITION  
AND THE LIBERALS WILL JOIN EFFORTS TO DEFEAT ROLDOS  
IN THE SECOND ROUND IS DOUBTFUL AT THIS TIME. ROLDOS  
APPEARS TO BE RENEWING HIS ELECTORAL CAMPAIGNING IN  
ORDER TO MAINTAIN THE ENTHUSIASM OF HIS SUPPORTERS.  
BUT IN GUAYAQUIL AS IN THE REST OF THE COUNTRY THERE  
IS GROWING APPREHENSION ABOUT THE FUTURE OF THE  
RETORNO PROCESS.  
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## Message Attributes

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